

**MASTER POWER PURCHASE AND SALE AGREEMENT  
AMENDED AND RESTATED CONFIRMATION LETTER**

**Products A, B, C Transaction**

This amended and restated confirmation letter shall confirm the Transaction agreed to on November 11, 2002 between WILLIAMS ENERGY MARKETING & TRADING COMPANY ("Party A") and CALIFORNIA DEPARTMENT OF WATER RESOURCES separate and apart from its powers and responsibilities with respect to the State Water Resources Development System ("Party B") regarding the sale/purchase of the Product under the terms and conditions as follows:

Seller: Party A

Buyer: Party B

Product:

Into \_\_\_\_\_, Seller's Daily Choice

Firm (LD)

Firm (No Force Majeure)

System Firm

(Specify System: \_\_\_\_\_)

Unit Firm

(Specify Unit(s): \_\_\_\_\_)

Other

Product A: Firm (LD) 7x24 (hour ending 0100 through the hour ending 2400, Monday through Sunday).

Product B: Firm (LD) 6x16 (hour ending 0700 through the hour ending 2200, Monday through Saturday (except for official NERC holidays)).

Product C: Firm (LD) 6x16 (hour ending 0700 through the hour ending 2200, Monday through Saturday (except for official NERC holidays)).

Transmission Contingency (If not marked, no transmission contingency)

FT-Contract Path Contingency       Seller       Buyer

FT-Delivery Point Contingency       Seller       Buyer

Transmission Contingent                       Seller                       Buyer  
 Other transmission contingency

(Specify: Buyer shall be responsible for transmission contingencies at and after the Delivery Point and Seller shall be responsible for transmission contingencies prior to the Delivery Point.)

Contract Quantity:

Product A:	Start Date – June 30, 2003:	40 MW
	July 1, 2003 – Dec. 31, 2007:	200 MW
Product B:	Start Date – Jun. 30, 2003:	175 MW
	July 1, 2003 – Dec. 31, 2007:	450 MW
	Jan. 1, 2008 – Dec. 31, 2010:	275 MW
Product C:	July 1, 2003 – Dec. 31, 2010:	50 MW

Delivery Point: Product A, B and C: SP 15

Energy Price: Product A:		\$62.50 per MWh
Product B:	2003-2005	\$87.00 per MWh
	2006	\$78.07 per MWh
	2007	\$77.07 per MWh
	2008	\$76.07 per MWh
	2009	\$75.07 per MWh
	2010	\$74.07 per MWh
Product C:		\$70.00 per MWh

Delivery Period: Product A: Start Date – Dec. 31, 2007  
Product B: Start Date – Dec. 31, 2010  
Product C: July 1, 2003 – Dec. 31, 2010

Special Conditions:

(1) "Start Date" means January 1, 2003.

(2) Material Modification or Elimination of Delivery Point. In the event that the California Independent System Operator ("CAISO") or its successor eliminates or materially modifies the characteristics of the

Delivery Point such that either Seller or Buyer is adversely affected thereby, Seller shall, upon such elimination or modification, deliver the Product to a delivery point reasonably determined by it to approximate the location and characteristics of the Delivery Point on the date of the execution of this Confirmation Letter (“Modified Delivery Point”). If Seller reasonably determines that no Modified Delivery Point exists, the parties shall negotiate a mutually agreeable replacement delivery point (“Replacement Delivery Point”) for such delivery. Once Seller or Buyer determines that the Delivery Point will be modified or eliminated such that it will be adversely affected thereby, it will notify the other party as soon as practicable.

(3) The Product B Energy Price shall be subject to adjustment as provided in that certain Settlement Agreement, among the parties hereto in addition to other parties, dated November 11, 2002.

Scheduling: \_\_\_\_\_

Option Buyer:   N/A  \_\_\_\_\_

Option Seller:   N/A  \_\_\_\_\_

Type of Option: \_\_\_\_\_

Strike Price: \_\_\_\_\_

Premium: \_\_\_\_\_

Exercise Period: \_\_\_\_\_

This amended and restated confirmation letter is being provided pursuant to and in accordance with the Amended and Restated Master Power Purchase and Sale Agreement dated November 11, 2002 (the "Products A, B, C Master Agreement") between Party A and Party B, and constitutes part of and is subject to the terms and provisions of such Products A, B, C Master Agreement. This amended and restated confirmation letter supersedes the amended and restated confirmation dated February 21, 2001. Terms used but not defined herein shall have the meanings ascribed to them in the Products A, B, C Master Agreement.

WILLIAMS ENERGY MARKETING &  
TRADING COMPANY

CALIFORNIA DEPARTMENT OF  
WATER RESOURCES separate and apart  
from its powers and responsibilities with respect to  
the State Water Resources Development System

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Phone No: \_\_\_\_\_

Phone No: \_\_\_\_\_

Fax: \_\_\_\_\_

Fax: \_\_\_\_\_

**Acknowledgments**

State of Oklahoma    )  
                                  ) SS  
County of Tulsa                    )

BEFORE ME, the undersigned authority, a notary public, on this day personally appeared \_\_\_\_\_, \_\_\_\_\_ of Williams Energy Marketing & Trading Company, a Delaware corporation, known to me that he executed this Master Power Purchase And Sale Agreement Amended And Restated Confirmation Letter for the purposes and consideration herein expressed, in the capacity therein set forth and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL of office, this the \_\_\_\_\_ day of November, 2002.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[ S E A L ]

State of California    )  
                                  ) SS  
County of \_\_\_\_\_)

BEFORE ME, the undersigned authority, a notary public, on this day personally appeared \_\_\_\_\_, \_\_\_\_\_ of the California Department of Water Resources, a \_\_\_\_\_, known to me that he executed this Master Power Purchase And Sale Agreement Amended And Restated Confirmation Letter for the purposes and consideration therein expressed, in the capacity therein set forth and as the act and deed of said \_\_\_\_\_.

GIVEN UNDER MY HAND AND SEAL of office, this the \_\_\_\_\_ day of November, 2002.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[ S E A L ]